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REVISED

August 28, 2019

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Kathryn Barger

From: Sachi A. Hamai 
Chief Executive Officer

Board of Supervisors
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First District

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Second District

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Third District

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Fifth District

SMART DOORBELL DEVICE SUBSIDY FOR UNINCORPORATED COMMUNITIES (ITEM NO. 13, AGENDA OF MAY 14, 2019)

On May 14, 2019, the Board directed the Chief Executive Office (CEO) to work with the Sheriff's Department (Sheriff) and the Department of Consumer and Business Affairs (DCBA) to engage local municipalities, and a home security product company to understand the context and scope of a potential public/private partnership. The partnership would allow residents in the County's unincorporated areas increased access to network home security systems, at a lower cost, in an effort to reduce crime in their neighborhoods. The Board further directed the involved departments to report back with research findings, as well as any financial and operational costs associated with this endeavor.

BACKGROUND

Due to the recent surge in the popularity of smart home security products, the smart video doorbell device has emerged as one of the leading products of choice by consumers due to its affordability, ease of use, and its ability to: 1) capture detected motion through high-definition video; 2) send notifications to the homeowner; and 3) use two-way voice communication. One of the most popular devices is Ring Inc.'s smart video doorbell, which is a Wi-Fi enabled doorbell that can notify the resident/owner via smartphone or other mobile device of the arrival of a visitor at the residence. The smart doorbell is activated when the person presses the doorbell, or alternatively, when the doorbell

senses a person with its built-in motion sensor. Once the doorbell is activated, the resident/owner may use the Ring Inc. smartphone application to see and talk to the visitor through a built-in high-definition infrared camera and microphone.

According to the Sheriff, crime statistics from 2018 to 2019 showed property crimes in Los Angeles County fell 7.75 percent overall (Attachment A). Retail sales figures, on the other hand, show residents across the country are ramping up with self-installed smart home security measures. The growing consumer demand has caused sales revenue for Ring Inc. products to increase from \$170.0 million in 2016 to \$415.0 million in 2017.

CEO RECOMMENDATIONS

Funding

At this time, County funds are limited and there are no existing programs within the County that can assist in funding this effort. We have also researched and, without success, could not identify any potential State and federal grants that may assist the County in this endeavor. Therefore, we recommend that the Board use district-specific discretionary funds to promote this program. This would allow each Board office to focus on specific areas within their supervisorial districts.

Program Locations and Need-Based Requirements

Should the Board proceed with initiating the smart electronic doorbell program, we recommend that the program be implemented in the areas with the greatest need and the device should be made affordable for those residents who meet certain financial requirements.

Program Locations: The Sheriff may assist Board offices in identifying critical areas within the County's unincorporated areas where the smart devices will benefit the residents most.

Need-Based Subsidies: The CEO and DCBA agree that low-income residents should be given the opportunity to purchase the smart doorbell device. We recommend that any subsidy program implemented by the County should be need-based.

Implementation

According to local municipalities, the launch of a smart electronic doorbell program usually takes three months to plan and execute. This time is used for outreach/promotion, logistics and execution of legal agreements.

Outreach

Successful implementation of the program depends on the time and resources invested in outreach and education. The outreach campaign should focus on consumer education regarding the partnership, preventing in-home breaches and resources for protecting your family from neighborhood crime.

Location and Security

We recommend the use of County Parks and Recreation locations to host the purchasing events. Events held on County property provides us with flexibility and allows for the Sheriff to provide security, if needed.

Vendors

We recommend that no one company be endorsed by the County as the sole provider of home security products under consideration for this program. Other businesses, large and small, should be encouraged to offer similar programs to County residents.

CONCLUSION

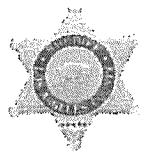
Attachment B summarizes the following: 1) current efforts local cities and the Sheriff's Department are employing to expand the usage of the smart electronic doorbells, 2) how does the smart doorbell device work, and 3) concerns with the usage of the smart doorbell devices.

We believe the residents in the County's unincorporated areas would benefit from having their homes monitored by a smart electronic doorbell device for the reasons outlined in Attachment B. Respectfully, the Board should consider the issues and options highlighted above and in the attachments when finalizing a decision to proceed or not.

SAH:FAD:MM:SW
RP:DC:cc

Attachments

c: Executive Office, Board of Supervisors
 County Counsel
 Sheriff
 Consumer and Business Affairs



LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
DEPARTMENT-WIDE PART I CRIMES
JANUARY 1 - JUNE 30, 2018 vs. 2019

Attachment A



CRIME	2018	2019	PERCENT CHANGE
CRIMINAL HOMICIDE	93	92	-1.08%
RAPE	419	404	-3.58%
ROBBERY	2,111	2,122	0.52%
AGGRAVATED ASSAULT	4,341	3,952	-8.96%
VIOLENT CRIMES TOTAL	6,964	6,570	-5.66%
BURGLARY	5,817	4,821	-17.12%
LARCENY THEFT	16,291	15,832	-2.82%
GRAND THEFT AUTO	5,670	4,980	-12.17%
ARSON	277	248	-10.47%
PROPERTY CRIMES TOTAL	28,055	25,881	-7.75%
PART I CRIMES TOTAL	35,019	32,451	-7.33%

Per the FBI Guidelines Homicide, Rape and Aggravated Assault are counted by victim. All other crimes are counted by incident, except Arson which is always counted.
Red depicts +30% increases and green depicts -30% decreases. N/C = Not Calculable

Source: LARCIS 5C UCR Data

Report generated on 07/21/19

Additional Analysis of the Smart Doorbell Device Effort

CURRENT EFFORTS

Local Cities

More cities and municipalities across the country are working with local law enforcement to improve neighborhood surveillances to capture videos of potential criminal activity. These efforts have led to cities partnering with Ring Inc. to launch purchasing campaigns that offer subsidized pricing for smart doorbells. Attached is a list of cities in Los Angeles County with existing agreements with Ring Inc. (Attachment C).

Typically, Ring's device(s) costs range from \$99 to \$249 each with several different models available. The cost is then reduced by \$100 per resident given a \$100 subsidy (\$50 match each) from the City and Ring Inc. Currently, Ring Inc. is the only company offering this subsidy program in the home security product industry (Attachment D).

Sheriff's Department

The Sheriff is an advocate for the smart electronic camera and doorbell technology, but not specifically Ring Inc., as there are other vendors available. Each city that has participated in a Ring Inc. subsidy program has done so independently and signed individual agreements/MOUs with the vendor. As the law enforcement agency for contract cities, the Sheriff provides information as to how the technology assists law enforcement in keeping communities safer, much like traditional neighborhood watch programs.

The Sheriff is also reaching out to cities to advocate for a vacation loaner program. This will allow cities to loan these devices out to residents leaving for vacation instead of requesting basic vacation checks when deputies are in the area. The device would alert a resident of activity if someone were to attempt to break into their homes and they could in turn contact law enforcement.

Recently, patrol deputies have received increased requests for information on the technology and suggestions on the use and placement of the smart device as it relates to residential use. These smart devices do more than document potential property crimes, as they can dissuade potential theft, alert or advise family members of packages arriving, etc.

HOW DOES THE SMART DOORBELL DEVICE WORK?

A resident who receives an alert from their camera or doorbell can contact law enforcement to report the crime or suspicious person on their property, in addition to providing video of the suspect via an email, text or through the Ring Inc's. Neighbors web portal. This video can provide specific details that may not be verbalized in a call, so law

enforcement can potentially identify and investigate the correct individuals. The cameras also act as a deterrent both visually and audibly because residents can receive an alert when motion is triggered on their property. The Ring device can then warn and advise individuals that law enforcement is on its way to investigate and that they have been captured on video. One of the key features of the Ring device is the ability to share video with neighbors and law enforcement of suspicious activity, crimes and patterns in a neighborhood.

CONCERNS WITH THE USAGE OF SMART DOORBELL DEVICE

If the Board decides to launch this public/private partnership in your respective districts, the CEO and DCBA have the following concerns for your consideration:

- Effectiveness of smart doorbell devices to deter crime privacy
- Security and technology
- Surveillance of private citizens
- Need based subsidies
- Competing businesses

Effectiveness of Smart Doorbells to Deter Crime

The effectiveness of smart electronic doorbell in deterring crime has been difficult to measure. Although, Ring Inc. has declared their product successful at lowering property crimes, many law enforcement agencies are unable state definitively that Ring devices have led to a corresponding reduction in domestic burglaries. Studies conducted to date have not provided any conclusive proof of a direct correlation between the use of Ring devices and decreases in home burglaries.

The Sheriff indicates that a well-designed study would require all residents in a defined area have a smart doorbell installed over a specified time frame. At this time, we are unaware of any study that has included this key criterion.

However, the Los Angeles Police Department (LAPD) indicates that they have conducted a study of two neighborhoods, one with Ring products, the other without, and concluded "we saw a 50% reduction in burglaries in the neighborhood with the doorbell, while the other side saw no changes."

Security and Technology

The use of any technology presents its own risks for consumers. Even the most secure devices are vulnerable to attack. News stories about home security cameras getting hacked have become a common occurrence. When vulnerabilities exist within the system and network, hackers can gain access to a person's home Wi-Fi network, either by using a guessed password, cracking the encryptions, or exploiting another smart device connected to the same network. Once the hacker is connected, they can see the audio and video transmitted from the video doorbell, and possibly inject their own footage to

deceive the user. In response, security vendor indicates that software and firmware updates may prevent and/or mitigate these issues.

Lastly, resident will also need to resolve any connectivity disparities since smart doorbell device companies may have their own compatibility requirements.

Surveillance of Private Citizens

Nationally, cities and states from California to Massachusetts have initiated efforts to restrict the use of various forms of surveillance recognition technology through city ordinances and State legislation. The growing number of partnerships between private security firms and the government have intensified a growing public concern that law enforcement agencies and corporations may be storing private communications and amassing a database of information that could be considered private or sensitive.

Due to these partnerships, residents have voiced concerns about their rights to privacy, free speech, due process, and association; and its stigmatization of minority communities and activists as these groups are disproportionately targeted by surveillance.

Need-Based Subsidies

The CEO and DCBA believe the intent of this motion is to expand access of smart doorbell devices to low-income residents. By doing so, residents will enhance their neighborhood's ability to deter or solve criminal activity. The cities that have already engaged in a subsidized program are offering a combined \$100 discounts to residents without requiring the individual to demonstrate a need for the subsidy. We believe any subsidy program developed by the County should be need-based.

Competing Business

Municipalities across the country are partnering exclusively with Ring Inc. for the cities' smart doorbell campaigns. From our research, Ring Inc. is currently the only company that offers a corporate subsidy for home security products. However, it is the County's policy to avoid exclusive vendor relationships unless the vendor is the sole provider.

Whether or not there is an opportunity for other businesses to participate in this initiative is primarily dependent on the structure of the relationship between the County and the supplier. It is our hope that other vendors will have the opportunity to compete for this business. DCBA and CEO have developed the following four (4) options for the public/private partnership:

1. County purchases the product at a discount from the supplier.
2. The County promotes the product and the company offers a discounted rate or coupon for consumers who meet the eligibility requirements (partnership-based only).

3. County purchases product at cost and sells back to consumers at a loss.
4. County subsidizes the cost of the products sold to constituents by providing rebates to consumers or payment to the supplier for the difference.

Option 1 and 2 would most likely result in a loss to the supplier or a less than desirable profit margin and thus, would necessitate a partnership with a large business similar to Ring Inc. (an Amazon company valued over \$1 billion) to make either of these options feasible. Options 3 and 4 provide an opportunity for smaller businesses to compete, such as SkyBell, a small business headquartered in Irvine with approximately less than \$5 million in revenue.

DCBA provides small business assistance through its Office of Small Business (OSB). OSB connects small businesses with government contracting opportunities and certifies local small businesses. Should the Board proceed with the smart doorbell program, OSB can assist small businesses with the County process.

Southern California Cities Partnering with Ring/Amazon

1. Aliso Viejo
2. Arcadia (2 Campaigns)
3. Bell Gardens
4. Bradbury
5. Rancho Palos Verdes
6. Diamond Bar
7. Duarte
8. La Canada/Flintridge (4 Campaigns)
9. La Mirada
10. Lake Forest
11. Lancaster
12. Lynwood
13. Maywood
14. Monrovia
15. Montclair
16. Monterey Park (2 Campaigns)
17. Norwalk
18. Palmdale
19. Redondo Beach
20. Santa Clarita (2 Campaigns)
21. South Gate
22. Tehachapi
23. Temple City (2 Campaigns)
24. West Hollywood

Other Cities

Manchester Township, New Jersey
Richmond, Virginia
Stafford, New Jersey

Ring Subsidy Match Program

What is the Ring Subsidy Match Program?

Cities, community associations and nonprofits (subsidy partners) often look for creative public safety initiatives to benefit their residents and the overall community. Offering a subsidized or discounted Ring device for residents is one of many ways they can do this. With the Ring Subsidy Match Program, subsidy partners fund a portion of the purchase price of a Ring device.

How does the Ring Subsidy Match Program work?

(Subsidy partners) will fund a portion of the purchase price of a Ring device. Ring will match that subsidy up to \$50 per household. Devices are purchased by residents directly from Ring, either at an in-person event or on Ring.com.

Which products can be purchased through the Ring Subsidy Match Program?

Products eligible to be purchased through the Ring Subsidy Match Program can vary. Generally, participants can purchase any of the following products, but please refer to your local program's website for a complete list.

- Door View Cam
- Video Doorbell 2
- Video Doorbell Pro
- Spotlight Cam Battery
- Spotlight Cam Wired
- Spotlight Cam Solar
- Stick Up Cam Battery
- Stick Up Cam Wired
- Floodlight Cam
- Alarm Security Kit (5-piece)

Why does Ring offer a subsidy match program?

Ring works with cities, community associations and nonprofits to offer community members subsidized or discounted Ring devices in an effort to make home security more accessible.

How are these programs funded?

Programs are funded through subsidy partners, and matched by Ring. Each program is unique and Ring works with subsidy partners to determine the best offerings for their community. Once finalized, a contract is signed and the program is deployed.

Who can participate in a subsidy match program?

Our subsidy partners determine the program size and eligibility requirements, however, typically residents of a community that offers a subsidy match program can participate as long as they show proof of residency.

Is this related to the Neighbors app law enforcement partnerships?

Neighbor's law enforcement partnerships are not related to Ring Subsidy Match Programs.

Who do I contact if I have questions about the program?

For questions about an existing program in your area, please reach out to the local subsidy partner contact listed for that specific program.

For general questions or inquiries about the Ring Subsidy Match Program and other community programs, please contact citypartnerships@ring.com.

Does Ring provide any customer information or device data to the subsidy partner?

Ring values the trust our customers place in us and is committed to protecting privacy. Ring does not provide customer information or device data from devices purchased through a subsidy program to the subsidy partner.

How does Ring decide which cities, community associations or nonprofits to partner with?

Ring is interested in working with any eligible partner that wants to make home security accessible to its residents and meets the program requirements.

How does the application process work? (for residents)

The subsidy partner will host an in-person event where the residents can register to participate. They will usually be asked to bring a form of ID and a utility bill to show proof of residency. If an in-person event is not offered, the subsidy partner will post an online application form created and managed by the Ring team. The resident will be asked to fill out their information including their home address. Addresses will be verified and codes will be emailed to the resident directly from Ring. These codes are first come, first served. Any unused codes will be deactivated once the program ends. Residents are encouraged to use their codes as soon as possible. Discount codes can only be redeemed on Ring.com and cannot be applied to previously purchased items. Discounts are taken off the normal retail price of an item, regardless of sales.

What are the requirements to participate in the program? Are there income restrictions?

Residents are eligible to participate in the program if they reside within the determined and posted boundaries for the subsidy program. There are no income restrictions, but please review the specific program announcement and reach out to the local contact listed in your area to confirm program eligibility and other requirements.

Do you have to be a homeowner to participate?

You do not have to be a homeowner to participate. Programs are open to any residents who meet the program requirements. Please note that subsidy partners may set some of their own eligibility requirements that can vary from program to program.

How can I find out if I'm eligible or if the program is offered in my area?

You can contact the subsidy partner to request for more information.

Is there a time limit to the program?

Programs last for 45 days or until subsidy codes run out. If all codes have not been claimed after 45 days, the subsidy partner and Ring can mutually decide to extend the program for 30 more days.

If the program isn't offered in my area, how can I request it?

We recommend reaching out to your local city office to find out if they are able to participate in a subsidy match program.

Where can I purchase the products during the subsidy program?

If there is a subsidy event in your city, the subsidy partner will post the details of the time, date and location of the event. If there is no event, residents will apply online for a code that will be redeemable only on Ring.com. Residents cannot use the coupon towards previously purchased products.

Does this program cover installation of the Ring devices?

Installation of the Ring device is not included. Everything you need to install a Ring device is included in the box; however, if you do need extra assistance, you can visit ring.com/installmyring or reach out to Ring Community support.

Are there any additional costs associated with this program?

There is an optional Ring video recording service recipients can purchase per device. Video recording programs are optional and each device will receive a 30 day free trial before being asked to purchase. Learn more about our recording plans [here](#).

Do I have to pay for the video subscription service?

Subscribing to Ring's video recording service is optional and available for an additional fee. The video recording service allows you to save videos for later review. Learn more about our video recording plans [here](#).

What happens if I move or leave the area?

If you move or leave the area, you can take your Ring device with you.

Who do I contact if I have questions about the devices?

Our Community Support team is available to help 24/7.

Can I still participate if I already own a Ring device?

You can still participate if you already own a Ring device. Subsidy discounts are one per household so if you have previously purchased through the subsidy program, you will not be able to purchase a second device.